

ANALYSIS OF RECOGNITION OF INCOME AND EXPENSES OF BUMDESMA

Dwi Rofi'Ati¹, Lis Setyowati², Abdul Manan³, Rika Liftiana⁴

Sekolah Tinggi Ilmu Ekonomi Pemuda, Surabaya, Indonesia^{1,2,3,4}

Jalan Bung Tomo No. 8 Ngagel, 60245, Surabaya, Indonesia

Email: dwirofi'ati@gmail.com¹, lissetyowati.stiepemuda@gmail.com²,
abdulmanan.stiepemuda@gmail.com³, rikaliftiana.stiepemuda@gmail.com⁴

Correspondence Author Email: dwirofi'ati@gmail.com

ABSTRACT

Analysis of Income and Expense Recognition of Bumdesma Podo Rukun during the 2021 Covid-19 Period in Wilangan District, Nganjuk City. The aim of this research is to analyze the Recognition of Income and Expenses of Bumdesma Podo Rukun during the 2021 Covid-19 Period in Wilangan District, Nganjuk City. This research was carried out from November to July 2022, where primary data was obtained from the object under study or the main source by observing cases that have been encountered directly. This data was collected using qualitative methods or through field surveys, interviews and documentation. To collect this data the author carried out data presentation, data reduction and conclusions. Based on the results of research and discussion, it shows that in 2021 Bumdesma Podo Rukun, Wilangan District, Nganjuk City, the recognition of income and expenses uses the accrual basis method and is in accordance with PSAK 23.

A. INTRODUCTION

Background of the problem

BUMDes in the Village Law can mean that a business entity or part of its capital is owned by the village through direct participation originating from village assets which are separated to manage assets, services and other businesses for the greatest welfare of the Village community. According to Article 213 paragraph (3) of Law Number 32 of 2004 concerning Regional Government, which states that as an economic institution, business capital is built on community initiative and adheres to the principle of independence. Apart from that, it is explained in the Minister of Home Affairs Regulation Number 39 of 2010 concerning Village Ownership Business Entities Article 1 paragraph (6) which states that BUMDes are village businesses formed/established by the village government whose capital ownership and management are carried out by the village government and the community.

Bumdesma Podo Rukun provides business capital support to Business Units, to develop businesses and is deemed worthy of being given capital support, receives capital participation from the Village, village community or other parties in accordance with agreed agreements, develops other businesses either independently or in collaboration with other parties. others, receiving and utilizing their own capital and assistance funds from other parties in the context of alleviating poverty, increasing income and welfare of village communities in one sub-district area. The main purpose of this recognition is to analyze the recognition of income and expenses of Bumdesma Podo Rukun during the 2021 Covid-19 period, Wilangan District, Nganjuk City. The high income generated by this agency depends on the smoothness or failure of payments made to users. During the Covid-19 period, many users were stuck in payments, some of these factors.

were the lock down in several areas so that livelihoods were limited, there was isolation because many were attacked by Covid-19, and there were also several users who died because of Covid-19. . As a result of several factors, quite large arrears arise at the end of the year, then these arrears will be taken into account in the following year.

Wilangan District, which is located in Nganjuk Regency, is directly adjacent to the city of Madiun. The total population in Wilangan District is 30,222 people, with details of the male population being 15,108 people and the female population being 15,114 people. The author chose

Wilangan District to conduct research because Bumdes in Wilangan District is very developed in expanding business to increase profits.

From the description above, the author feels interested in studying and researching the profit and loss report and recognition of income and expense accounts by Bumdesma Podo Rukun during the Covid-19 period in Wilangan District, Nganjuk City, whether they get an appropriate profit or whether arrears arise

Basic Concepts of Public Sector Accounting

Public sector accounting is a technical mechanism and accounting analysis applied to the management of public funds in high state institutions and subordinate departments, regional governments, BUMN, BUMD, NGOs, and social foundations in public and private sector collaboration projects (Bastian, 2010:3). The scope of public sector accounting includes central government agencies, regional government agencies, government work units, volunteer organizations, hospitals, universities, foundations, non-governmental organizations, religious organizations, political organizations, etc. For government bodies, the accounting system

must follow government accounting standards (SAP) in accordance with law number 17 of 2003 article 32, law number 1 of 2004 article 51 paragraph 3, and government regulation number 24 of 2005. In addition, for government units engaged in BUMN and BUMD sectors must follow accounting standards in accordance with those issued by IAI (Indonesian accounting association). Meanwhile, non-governmental public organizations must follow standards in accordance with financial accounting.

Village Budget

Village funds are funds received by villages every year which come from the APBN and are deliberately given to villages through direct transfers via the Regency/City APBD which are used as a process in funding all government administration initiatives or as village development to empower all rural communities (Lili, 2018).

Village Fund Sources

Based on the Ministry of Home Affairs No. 113 of 2014 concerning village financial management, states that village income sources consist of 3 sources.

Basic Concepts of Financial Accounting

Financial accounting is a field of accounting that discusses the preparation of financial reports for external users (Martani, 2016, p.8). Financial accounting is related to the process of preparing financial reports so that financial accounting is tied to accounting standards. The objectives of financial reporting are to provide, 1) Information that is useful in making investment and credit decisions, 2) Information that is useful in assessing future cash flow prospects, and 3) Information about the company's resources, claims to those resources, and changes in it (Kieso, 2015).

Understanding Accounting

Accounting is a systematic, reliable and original organizational function in classifying, recording, processing, analyzing and interpreting all transactions and events as well as financial characteristics that occur in the company's operational activities as an accountability for the performance of the organization (Gradi, 2017).

Revenue Recognition

Revenue recognition is income that arises in the normal activities of a company.

Expense Recognition

Expenses are recognized in the profit and loss statement with a certain income process required by the company so that matching can be done between income and costs charged in a certain period (Asri, 2016: 105).

Net profit

Net profit is all total income subtracted from total expenses or expenses in a certain period.

Income statement

An income statement is a report that contains income and expense accounts that produce the difference between income or expenses so that a net profit or loss arises during a certain period.

There are two forms of profit and loss statements, including:

- a. The single form (single step), is combining income into one group and combining costs in other groups such as the retained earnings report group.
- b. Compound form (multiple step), is an activity report prepared by grouping income and costs into several sections in accordance with the principles of preparing activity reports.

Arrears

Arrears are credit that has not been paid by borrowers for certain reasons after the due date specified in the repayment period. These arrears are usually called bad credit and will be taken into account in the following year (Iii et al. 2008).

Relevant Previous Research

Kodong, et al (2019) conducted research entitled Analysis of Income and Expense Recognition in the Presentation of Profit and Loss Reports at PT Simple Karya Jaya. The aim is to analyze whether the recognition of income and expenses in the presentation of the profit and loss statement at PT Simple Karya Jaya is in accordance with PSAK No. 34. The source of research data is direct observation and interviews with sources related to the object under study, in the form of company accounting policies. The data collection technique uses a preliminary survey, literature study and field study. The data analysis technique uses descriptive qualitative research analysis. The result is that PT Simple Karya Jaya received a project to carry out work to improve the structure and capacity of long sand in Lembah Selatan District, Bitung City with a road size of 3.1 KM on May 12 2017 with a down payment of 20% of the contract value and subsequent payment in 3 (three) terms. retention based on work achievements that have been achieved. Wijoyo (2018) conducted research entitled Analysis of Recognition of Construction Contract Income and Expenses at PT Wahana Tata Riau. The aim is to determine when income will be recognized as income and costs will be recognized as expenses. The research data sources are primary data, namely from personnel and general affairs and secondary data, namely from the company's accounting department. The data collection technique uses interviews and documentation. The data analysis technique uses descriptive analysis. The result is being able to carry out business activities and develop the company. Income from the company includes income sourced from basic income which consists of income from construction service contracts.

Haisyah (2018) conducted research entitled Analysis of Income and Expense Recognition at PT Pos Indonesia Sungai Nyamuk Branch. The aim is to analyze the recognition of income and expenses at PT Pos Indonesia Sungai Nyamuk Branch in accordance with PSAK 23. The data source for this research uses primary data in the form of interviews and secondary data in the form of financial report documents. The data collection technique uses library research and field research. The data analysis technique uses comparative descriptive. The result is to find out the strengths and weaknesses of data in the financial sector.

Ham, et al (2018) conducted research entitled Analysis of Income and Expense Recognition at PT Bank Perkreditan Rakyat Prisma Dana Manado. The aim is to determine when income is recognized as income and expenses are recognized as expenses. The source of research data is by looking at phenomena directly and the results of research found in the field. The data collection technique uses financial report data. The data analysis technique uses descriptive analysis. The result is that the recognition of income and expenses uses the cash basis and accrual basis methods so that each year there is an increase.

Iroth, et al (2020) conducted research entitled Analysis of Income and Expense Recognition at PT Asuransi Adira Dinamika Manado Branch. The aim is to find out whether the income and expenses of PT Asuransi Adira Manado Branch meet financial accounting standard No. 28. The data sources for this research are primary data in the form of interviews conducted with branch heads and

secondary data in the form of information obtained from company archives. The data collection technique was by conducting a survey at the Manado Branch of PT Asuransi Adira Branch which is located at Jalan Piere Tendean Ruko Megasmart IV Number 8. was found. The data collection technique uses financial report data. The data analysis technique uses qualitative descriptive analysis. The result is that the recognition of income and expenses of PT Asuransi Adira Manado Branch is in accordance with the provisions of Statement of Financial Accounting Standards Number 28.

B. RESEARCH METHODS

Types of research

The type of research from the scientific work entitled Analysis of Income and Expense Recognition of Bumdesma Podo Rukun during the 2021 Covid-19 Period, Wilangan District, Nganjuk City, is one of the case studies, using a qualitative approach because this problem is directly taken and seen from the problems faced directly by the community around Wilangan District, Nganjuk City.

Data

Data is information or information that contains facts because it is obtained from certain sources and can also be made direct observations.

1. Data Type

a. Subject data is the most important component used when researching scientific work. The author conducted this research at BUMDesma Podo Rukun, Wilangan District, Nganjuk City together with financial staff and managers directly.

b. Documentaries are research conducted to examine historical data. In this research, the author conducted research by documenting the information according to the facts that occurred. And in the data collection process the author used cellphones and writing tools to record and record the results of the interviews. In this type of documentary data the author obtains financial report information including:

- 1) Village budget
- 2) Income statement
- 3) Arrears

2. Data source

The data source used in this research is primary data. Primary data is data obtained from the object under study or the main source. This data was obtained by observing cases that had been encountered directly, interviewing the finance department and conducting field surveys. As well as using secondary data such as proof of transactions carried out every day at BUMDesma Podo Rukun, Wilangan District, Nganjuk Regency so that the author knows which accounts are recognized as income and expenses.

Place and time of research

1. Research Place

Scientific work research entitled Analysis of Revenue and Expense Recognition of Bumdesma Podo Rukun during the 2021 Covid-19 Period, Wilangan District, Nganjuk City, was carried out in Wilangan District, Nganjuk City, East Java together with several employees in the area.

2. Research time

This scientific work research will be carried out from November 2021 to May 2022.

Data collection technique

1. Field survey

This field survey activity was carried out so that researchers could directly analyze the case studies of the problems currently being faced by BUMDesma in overcoming or resolving the problem of how large creditor arrears are due to Covid-19.

2. Interview

An interview is a question and answer activity in research that takes place verbally to someone or more face to face, in order to answer questions or to obtain information and information regarding the facts at hand. This interview technique was carried out first and carried out directly in order to obtain reliable information through the informants Mrs. Wina Hervina Nitia Sutrisno, SE as Manager and Mrs. Tri Wahyuni, S.Pd as the Finance Section of BUMDesma Podo Rukun, Wilangan District, Nganjuk City.

3. Documentation

Documentation is a record of events that have occurred and passed, document study is a complement to the use of field observation and interview methods from qualitative researchers (Sugiyono, 2016: 329). So the author gets reliable information through interviews with managers and the finance department as well as looking at the facts in the field.

Data analysis technique

1. Data presentation

Data presentation is a series of activities in the process of completing research results using analytical methods according to the desired objectives (Yuni, 2011). This data presentation is used by researchers to make it easier to capture information, analyze data and speed up decision making.

2. Data reduction

Data reduction is summarizing the most important points to identify themes and patterns (Sugiyono, 2009). This data reduction was used to conduct research analyzing the recognition of income and expenses of BUMDesma.

C. RESULTS AND DISCUSSION

Bumdesma Podo Rukun recognizes income and expenses using the accrual basis method. The accrual basis is that accounting records are recorded at the time the transaction occurs even though the cash has not been received. The main sources recognized as income by Bumdesma Podo Rukun come from Operational Income, namely UEP (Productive Economic Business) Return Services, SPP (Women's Savings and Loans) Return Services. This income is recognized when a savings and loan agreement occurs between the debtor and creditor. Furthermore, there is Non-Operational Income which is recognized as income, namely coming from UPK (Activity Management Unit) Operational Bank Interest, UEP (Productive Economic Enterprise) Bank Interest Returns, SPP (Women's Savings and Loans) Bank Interest. It is said to be income by the company because Bumdesma Podo Rukun receives additional value from credit loans given to users or customers. Apart from Operational and Non-Operational Income, there is other Non-Operational Income which is recognized as income. The source of this operational income comes from profits or losses from Bumdesma Podo Rukun investments.

The process of generating expenses by Bumdesma Podo Rukun comes from the first several groups, Costs Operations include UPK (Activity Management Unit) Management Honors, Administration and General Affairs, Depreciation, and others. Second, Non-Operational Costs, namely UPK Operational Bank Tax, UEP Refund Bank Tax, SPP Refund Bank Tax, UPK Operational Bank Administration, UEP Refund Bank Administration, and SPP Refund Bank Administration. The last comes from Other Non-Operational Costs, namely Verification, IPTW (On Time Payment Incentives), Others. These three expenses are immediately borne and charged at the time the transaction occurs. When there is verification (checking valid data) Bumdesma Podo Rukun admits it is a burden because the activity finances the customer and the funds are immediately disbursed, so it is said to be a burden. Meanwhile, IPTW (On Time Payment Incentive) is recognized as an expense because Bumdesma Podo Rukun has a program that if a customer pays a loan on time they will be given a prize, this is to avoid bad credit.

The profit and loss report above is presented as the basis for the emergence of these transactions and journals, so that from the profit and loss report a surplus appears because the total income is greater than the total expenses. The principle used in recognizing income and expenses by Bumdesma Podo Rukun is in accordance with PSAK No. 23 where income arises

from the sale of goods, sale of services, interest and dividends. Meanwhile, the recognition of expenses is in accordance with financial accounting standards.

D. CONCLUSION

For this research, the author took the topic "Analysis of Recognition of Income and Expenses of Bumdesma Podo Rukun during the Covid-19 2021 Period in Wilangan District, Nganjuk City". The aim of this research is to analyze the Recognition of Income and Expenses of Bumdesma Podo Rukun during the 2021 Covid-19 Period, Wilangan District, Nganjuk City. Based on the discussion and analysis carried out by the author, the following conclusions can be drawn:

1. The income and expense recognition method used in recording Bumdesma Podo Rukun transactions is using the accrual basis.
2. Bumdesma Podo Rukun's income comes from operational income, namely income from sales of goods and services, and also comes from operational income. Bumdesma Podo Rukun's expenses come from expenditure on service income and costs incurred on savings and loan activities.
3. The implementation of income and expense recognition for Bumdesma Podo Rukun uses the accrual basis method and is in accordance with PSAK No. 23.
4. Based on the profit and loss report, Bumdesma Podo Rukun experienced a surplus of Rp. 356,801,699.

Suggestion

After drawing the conclusions presented in the analysis, the author tries to provide suggestions and hopefully they will be useful. The suggestions from the author are as follows:

1. For Companies

Recognition of income and expenses at Bumdesma Podo Rukun is in accordance with accounting standards. In this way, the company can further improve its internal, external performance and existence in financial preparation because this can influence security in asset management.

2. For Further Researchers

From the results of research carried out by the author on the topic "Analysis of Recognition of Income and Expenses of Bumdesma Podo Rukun during the 2021 Covid-19 Period, Wilangan District, Nganjuk City", hopefully this research can be useful and can be used as a reference for future researchers who have the same problem topic. The author hopes that future researchers will follow up on the results of the author's research with different aspects and are expected to study more sources or other references.

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